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Date: (Filing No. H-)

TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 432, L.D. 549, Bill, “An Act Regarding the Recognition of Corporate Entities for Tax Purposes”

Amend the bill in section 1 in §194-A in subsection 2 in the last line (page 1, line 11 in L.D.) by striking out the following: "of" and inserting the following: 'paid or payable to'

Amend the bill by inserting after section 1 the following:

'Sec. 2. Application. This Act applies to tax years beginning on or after January 1, 2011.'

SUMMARY

The bill clarifies the circumstances under which the State must respect a corporate entity for tax purposes and the amendment provides that the corporate entity is the owner of income paid or payable to the corporate entity. The bill as amended is not intended to change the determination of whether income paid or payable to the corporate entity is taxable to the corporate entity or to a shareholder of the corporate entity or whether an S corporation is a taxable corporation.

The amendment also provides an application date.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT